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## THE TRUST DEED AND RELATED MATTERS

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*The Trust Deed is a complex document and the following is a summary only of the provisions of the Trust Deed, in addition to related information. A copy of the Trust Deed is available for inspection at the office of DLA Piper Hong Kong at 17/F, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours up to the Listing Date, and for as long as the Units are Listed, at the registered office of the REIT Manager during normal business hours.*

### THE TRUST DEED

Spring REIT is a REIT constituted and governed by the Trust Deed entered into between the REIT Manager and the Trustee, dated November 14, 2013 and as amended and restated from time to time. Following the Listing, Spring REIT will be regulated by the Applicable Rules.

The provisions of the Trust Deed shall be binding on the Trustee, the REIT Manager and each Unitholder (and persons claiming through such Unitholder) as if such Unitholder had been a party to the Trust Deed and as if the Trust Deed contained covenants on the part of each Unitholder to observe and be bound by the provisions of the Trust Deed and an authorization by each Unitholder to do all such acts and things as the Trust Deed may require the REIT Manager and/or the Trustee to do.

The provisions of the Applicable Rules prescribe certain terms that have been included in the Trust Deed and certain rights, duties and obligations of the REIT Manager, the Trustee and the Unitholders that have been included in the Trust Deed.

### REIT STRUCTURE

Spring REIT is established in the form of a unit trust under Hong Kong law to invest primarily in real estate (either directly or indirectly through special purpose vehicles). The REIT Manager must manage Spring REIT so that the principal investments of Spring REIT are real estate. For further details of the investment objectives and policies of the REIT Manager, see the section headed "Strategy" in this Offering Circular. The assets of Spring REIT and income arising from those assets separately will be held by the Trustee on trust for the benefit of the REIT Manager initially and thereafter, upon issuance of Units, the Unitholders *pari passu* according to the number of Units held by each Unitholder, subject to the terms and conditions of the Trust Deed.

### THE UNITS AND UNITHOLDERS

The rights and interests of Unitholders are contained in the Trust Deed. Under the Trust Deed, the Trustee must exercise all due diligence and vigilance in protecting the rights and interests of Unitholders.

Each Unit represents an undivided interest in Spring REIT. A Unitholder has no equitable or proprietary interest in the underlying assets of Spring REIT and is not entitled to the transfer to it of any asset (or any part thereof) or any estate or interest in any asset (or any part thereof) of Spring REIT.

Unless otherwise expressly provided in the Trust Deed, a Unitholder may not interfere or seek to interfere with the rights, powers, authority or discretion of the REIT Manager or the Trustee, exercise any right in respect of the assets of Spring REIT or any part thereof or

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lodge any caveat or other notice affecting the assets of Spring REIT or any part thereof, or require that any assets of Spring REIT be transferred to such Unitholder.

### ISSUE OF UNITS AND/OR CONVERTIBLE INSTRUMENTS AND ISSUE PRICE

The Units will be listed and quoted in Hong Kong Dollars. The following is a summary of the provisions of the Trust Deed relating to the issue of Units.

The REIT Manager has the exclusive right to effect, for the account of Spring REIT, the creation and issue of Units and/or Convertible Instruments in accordance with the Trust Deed and subject to the provisions of the REIT Code and any other applicable laws and regulations. Upon Reorganization, the Units shall be issued to RCA Fund pursuant to the Reorganization Agreement in exchange for all of the issued RCA01 Shares. The issue of Units on the Listing Date for the purpose of the Global Offering shall be at an issue price determined on the basis disclosed in this Offering Circular.

After the Listing Date, new Units and/or Convertible Instruments may be offered on a pro rata basis as a rights issue without the prior approval of Unitholders other than where any such issue together with such Convertible Instruments (assuming full conversion) would increase the total number of issued Units by more than 50.0%, in which case such issue shall require the prior approval of Unitholders by Ordinary Resolution at a meeting to be convened by the REIT Manager in accordance with the provisions of the Trust Deed.

Subject to certain restrictions in the Trust Deed regarding the issue of new Units to a connected person and the REIT Code, after the Listing Date, Units may be issued, or agreed (conditionally or unconditionally) to be issued, in any financial year (whether directly or pursuant to any Convertible Instruments), otherwise than on a pro rata basis to all existing Unitholders, without the approval of Unitholders, if:

- (a) the total number of new Units issued, or agreed (conditionally or unconditionally) to be issued, in that financial year pursuant to this paragraph, without taking into account:
  - (i) any new Units issued or issuable in that financial year pursuant to any Convertible Instruments issued (whether in that or any prior financial year) pursuant to and in compliance with this paragraph, to the extent that such new Units are covered by the aggregate number of new Units contemplated under paragraph (b) below at the Relevant Date applicable to the relevant convertible instruments;
  - (ii) such number of new Units issued or issuable pursuant to any such Convertible Instruments or any agreement referred to in sub-paragraph (a)(iii) below, in each case as a result of adjustments arising from the consolidation or sub-division or redesignation of Units;
  - (iii) any new Units issued in that financial year pursuant to any agreement for the issuance of Units, to the extent that such new Units were previously taken into account in the calculation made under this sub-paragraph (a) (whether in that or any prior financial year) at the Relevant Date applicable to that agreement;
  - (iv) any new Units issued or issuable (whether directly or pursuant to any Convertible Instruments) in that financial year pursuant to any pro rata offer made in that financial year in accordance with the Trust Deed;

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- (v) any new Units issued, or agreed (conditionally or unconditionally) to be issued, otherwise than on a pro rata basis to all existing Unitholders and in respect of which the specific prior approval of Unitholders, in accordance with the relevant requirements hereunder and under applicable laws and regulations (including the REIT Code), has been obtained; and/or
- (vi) any new Units issued or agreed to be issued in that financial year pursuant to any reinvestment of distributions made in accordance with the Trust Deed;

plus:

- (b) (i) the maximum number of new Units issuable at the initial issue price pursuant to any Convertible Instruments issued, or agreed (conditionally or unconditionally) to be issued, otherwise than on a pro rata basis to all existing Unitholders and whose Relevant Date falls within that financial year; and
- (ii) the maximum number of any other new Units which may be issuable pursuant to any such Convertible Instruments as of the Relevant Date thereof as estimated or determinable by the REIT Manager in good faith and using its best endeavours and based on such assumptions as may be considered appropriate by the REIT Manager and confirmed in writing to the Trustee and the SFC, having regard to the relevant terms and conditions of such Convertible Instruments (including any additional new Units issuable under any adjustment mechanism thereunder other than adjustments arising from the consolidation or sub-division or re-designation of Units);

does not increase the number of Units that were outstanding at the end of the previous financial year (or, in the case of an issue of, or an agreement (whether conditional or unconditional) to issue, Units or Convertible Instruments during the first financial year, the number of Units that were outstanding as of the Listing Date) by more than 20.0% (or such other percentage of outstanding Units as may, from time to time, be prescribed by the SFC) (the “**Percentage Threshold**”) provided that such threshold in terms of number of Units shall in the event of any consolidation or sub-division or re-designation of Units during that financial year be proportionally adjusted to give effect to such consolidation, sub-division or re-designation of Units.

Any issue of, or any agreement (whether conditional or unconditional) to issue, new Units exceeding the Percentage Threshold will require specific prior approval of Unitholders by Ordinary Resolution at a meeting to be convened by the REIT Manager in accordance with the provisions of the Trust Deed.

Any issue, grant or offer of Units or Convertible Instruments to a connected person shall require specific prior approval of Unitholders by Ordinary Resolution at a meeting to be convened by the REIT Manager in accordance with the provisions of the Trust Deed, unless such issue, grant or offer is made under the following circumstances (where, for the avoidance of doubt, no Unitholders’ approval will be required):

- (i) the connected person receives a pro rata entitlement to Units and/or Convertible Instruments in its capacity as a Unitholder (provided that such issue will not increase the market capitalization of Spring REIT by more than 50.0%);
- (ii) Units are issued to a connected person under the Trust Deed in or towards the satisfaction of the Base Fee and Variable Fee pursuant to a waiver granted by the

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SFC, one of the conditions of which being that in respect of each financial year, the maximum number of Units that may be issued to the REIT Manager as payment of all or part of the Base Fee and Variable Fee for that financial year shall be limited to such number of Units as represents 3.0% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purposes of financing any acquisition of real estate by Spring REIT. For details, see the section headed “Modifications, Waivers and Licensing Conditions” in this Offering Circular;

- (iii) Units and/or Convertible Instruments are issued to a connected person within 14 calendar days after such connected person has executed an agreement to reduce its holding in the same class of Units and/or convertible instruments by placing such Units and/or convertible instruments to or with any person(s) who is/are not its Associate(s) (other than any Excluded Associate), provided always that: (i) the new Units and/or convertible instruments must be issued at a price not less than the placing price (which may be adjusted for the expenses of the placing); and (ii) the number of Units and/or Convertible Instruments issued to the connected person must not exceed the number of Units and/or Convertible Instruments placed by it;
- (iv) the connected person is acting as underwriter or sub-underwriter of an issue or offer of Units or other securities by or on behalf of the Trust or any special purpose vehicle, provided that: (i) the issue or offer is made under and in accordance with the Trust Deed; and (b) the issue or offer is in compliance with any applicable provisions of the Listing Rules where a connected person is acting as an underwriter or sub-underwriter of an offer of shares or other securities by a listed company, with necessary changes being made, as if the provisions therein are applicable to real estate investment trusts;
- (v) the excess application and the taking up of pro rata entitlements by the connected person in respect of a pro rata issue of Units and/or convertible instruments or an open offer by the Trust; or
- (vi) Units are issued to a connected person pursuant to a reinvestment of distribution.

Notwithstanding the above, the REIT Manager shall not: (a) issue Units and/or; (b) issue Units at an issue price, that would result in non-compliance with the other provisions of the Trust Deed in respect of issue of Units, including, but not limited to the provisions regarding compliance with the Listing Rules as may be applicable in determining the issue price.

The REIT Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses are outside Hong Kong if the REIT Manager considers such exclusion to be necessary or expedient on account of the relevant legal restrictions or requirements. In such event, the rights or entitlement to the Units of such Unitholders will be offered for sale by the REIT Manager as the nominee and authorized agent of each such relevant Unitholder in such manner and at such price, as the REIT Manager may determine. The Trustee shall have the discretion to impose such other terms and conditions in connection with such sale as necessary. The proceeds of any such sale, if successful, will be paid to the relevant Unitholders.

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### REPURCHASE AND REDEMPTION OF UNITS

Unitholders have no right to demand for the repurchase or redemption of their Units. The REIT Manager must not repurchase or cause the redemption of Units unless it is permitted to do so by the relevant codes and guidelines issued by the SFC from time to time (including but not limited to the Code on Share Repurchases and the circular to management companies of SFC-authorized REIT titled “On-market Unit Repurchases by SFC-authorized REITs” dated January 31, 2008). Any such repurchase or redemption of Units by the REIT Manager must be effected in accordance with such codes and guidelines.

### PUBLIC FLOAT REQUIREMENT

The REIT Manager shall use best efforts to ensure that a minimum of 25% (or any other percentage as may be specified or permitted by the SFC from time to time) (the “**Public Float Percentage**”) of the outstanding Units are held in public hands at all times. In the event that the REIT Manager becomes aware that the percentage of the outstanding Units in the public hands has fallen below the Public Float Percentage, the REIT Manager shall use its best efforts to restore the percentage of Units held in public hands to at least the Public Float Percentage of the outstanding Units. The REIT Manager shall adopt proper internal procedures for monitoring the public float and shall notify the Trustee and the SFC promptly and issue an announcement if such percentage falls below the Public Float Percentage.

### RIGHTS AND LIABILITIES OF UNITHOLDERS

The key rights of Unitholders include rights to:

- (a) receive income and other distributions attributable to the Units held;
- (b) receive audited accounts and the annual reports and semi-annual reports of Spring REIT; and
- (c) participate in the termination of Spring REIT by receiving a share of all net cash proceeds derived from the realization of the assets of Spring REIT, in accordance with their proportionate interests in Spring REIT.

No Unitholder has a right to require that any authorized investment forming part of the Deposited Property of Spring REIT be transferred to it.

Further, Unitholders cannot give any directions to the Trustee or the REIT Manager (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the REIT Manager to do or omit doing anything which may result in:

- (a) Spring REIT ceasing to comply with the Applicable Rules; or
- (b) the exercise of any discretion expressly conferred on the Trustee or the REIT Manager by the Trust Deed or the determination of any matter which, under the Trust Deed, requires the agreement of either or both of the Trustee and the REIT Manager; provided that nothing in this paragraph shall limit the right of a Unitholder to require the proper operation of Spring REIT in accordance with the Trust Deed or the compliance by the Trustee or the REIT Manager with their respective obligations under the Trust Deed.

A Unitholder shall not be liable to the REIT Manager or the Trustee to make any further payments to Spring REIT after he has fully paid the consideration to acquire its Units and no

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further liability shall be imposed on such Unitholder in respect of such Units. The provisions seek to ensure that if the issue price of the Units held by a Unitholder has been fully paid, no such Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Trustee or any creditor of Spring REIT in the event that the liabilities of Spring REIT exceed its assets.

Subject to the restrictions and requirements of the REIT Code, the REIT Manager shall ensure that the following investment restrictions are complied with:

- (a) subject as provided in the Trust Deed, no investment shall be made by Spring REIT which would result in non-compliance with the REIT Code, any applicable laws and regulations, the Trust Deed or applicable investment restrictions in the Listing Rules (if any);
- (b) Spring REIT may only invest in authorized investments and other investments permitted by the REIT Code from time to time;
- (c) Spring REIT shall not invest in vacant land or engage or participate in any property development activities (excluding, for the avoidance of doubt, refurbishment, retrofitting and renovations);
- (d) Spring REIT shall not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person nor shall any part of the Deposited Property be used to secure the indebtedness of any person or any obligations, liabilities or indebtedness, without the prior written consent of the Trustee;
- (e) Spring REIT shall not acquire any investment which involves the assumption of any liability that is unlimited; and
- (f) Spring REIT shall hold each investment (which is in the nature of real estate or shares in any special purpose vehicle holding interest in real estate) for a period of at least two years, unless the REIT Manager has clearly communicated to the Unitholders the rationale for disposal prior to the expiry of such period and the Unitholders approve the disposal of such investment by Special Resolution at a meeting to be convened by the REIT Manager in accordance with the Trust Deed.

The REIT Manager shall ensure that each special purpose vehicle (including, but not limited to RCA01) complies with the requirements set out in the preceding paragraph.

### VALUATION OF INVESTMENTS

The REIT Manager shall ensure that all valuations made by principal valuers pursuant to the Trust Deed shall be carried out in good faith in accordance with market practice on such basis as the principal valuers respectively may determine to be appropriate, subject always to the terms of the Trust Deed and the provisions of the REIT Code. The valuation methodology shall follow the “Valuation Standards on Properties” published from time to time by the Hong Kong Institute of Surveyors or the International Valuation Standards issued from time to time by the International Valuation Standards Committee, the REIT Code or any applicable code of practice for asset valuations. Once adopted, the same valuation standards shall be applied consistently to all valuations of properties of Spring REIT.

The REIT Manager shall determine the net asset value of the Deposited Property based upon the principal valuer’s valuation of real estate (as defined in the Trust Deed), the value of

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cash (as defined in the Trust Deed) and cash equivalent items (as defined in the Trust Deed) comprised in the assets of Spring REIT and other Deposited Property, less liabilities.

The Trustee shall take all reasonable care to ensure that the net asset value of the Deposited Property and net asset value of the Deposited Property per Unit (being the net asset value of the Deposited Property divided by the number of Units then in issue) is calculated by the REIT Manager in accordance with the Trust Deed as and when an annual valuation report of Spring REIT's real estate is issued by the principal valuer for the relevant period, and that such net asset value of the Deposited Property and net asset value of the Deposited Property per Unit shall be published in the annual report for Spring REIT.

### AMENDMENT OF THE TRUST DEED

The Trustee and the REIT Manager shall be entitled by supplemental deed and with the prior approval of the SFC to modify, alter or add to the provisions of the Trust Deed in such manner and to such extent as they may consider expedient for any purpose provided that:

- (a) unless the Trustee shall certify in writing that in its opinion such modification, alteration or addition:
  - (i) does not materially prejudice the interests of Unitholders and does not operate to release to any material extent the Trustee or the REIT Manager from any responsibility to the Unitholders and does not increase the costs and charges payable from the Deposited Property; or
  - (ii) is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law) including, without limitation, requirements under any Applicable Rules; or
  - (iii) is necessary to correct a manifest error,

no such amendment, variation, modification, alteration or addition shall be made without the sanction of a Special Resolution of a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed; and

- (b) no such amendment, variation, modification, alteration or addition shall impose upon any Unitholder any obligation to make any further payments in respect of his Units or to accept any liability in respect thereof.

### MEETINGS OF UNITHOLDERS

An annual general meeting shall, in addition to any other meeting, be held once in every calendar year, at such time and place as may be determined by the REIT Manager and not less than 21 days' notice or 20 clear business days' notice (whichever is the longer) in writing shall be given to all Unitholders.

A meeting of Unitholders may be convened at any time and place by the Trustee or the REIT Manager. The REIT Manager shall also convene a meeting at the request in writing of not less than two Unitholders registered as together holding not less than 10% of the issued Units. The party convening the meeting may convene a meeting of Unitholders at such time

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or place in Hong Kong (subject to the provisions of the Trust Deed) as the party convening the meeting may think fit and propose resolutions for consideration at such meeting.

The REIT Manager or a person nominated by the REIT Manager shall be the chairman of the meeting.

Except as otherwise provided for in the Trust Deed, notice of 14 days or 10 clear business days (whichever is the longer) at the least notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting for an Ordinary Resolution shall be given to the Unitholders, and notice of 21 days or 20 clear business days (whichever is the longer) at the least (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting for an annual general meeting or a Special Resolution shall be given to the Unitholders, both in manner provided in the Trust Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee in which case it shall be sent to the REIT Manager. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

The quorum shall be not less than two Unitholders present in person or by proxy registered as holding together not less than: (a) 10% of the Units for the time being in issue and outstanding in the case of an Ordinary Resolution; or (b) 25% of the Units for the time being in issue and outstanding in the case of a Special Resolution. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business. Split proxies shall, for the avoidance of doubt, be permitted.

Any Unitholder shall be prohibited from voting its own Units at, or being counted in the quorum for, a meeting at which it has a material interest in the business to be conducted and that interest is different from the interests of other Unitholders (as determined by: (a) the REIT Manager, where the Unitholder concerned is not a connected person related to the REIT Manager; or (b) the Trustee, where the Unitholder concerned is a connected person related to the REIT Manager, in its absolute opinion) including an issue of new Units where a Unitholder may increase its holdings of Units by more than its pro rata share.

At any meeting, a resolution put to the meeting shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the meeting. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which it is the Unitholder, provided such Units are fully paid up. Where any Unitholder is under the REIT Code required to abstain from voting on any particular resolution or, in the case of a proxy given to any connected persons of the REIT Manager restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of Unitholders in contravention of such requirement or restriction shall not be counted. A person entitled to more than one vote need not use all his votes or cast them the same way. An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve. The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorized in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorized.

A corporation, being a Unitholder, may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of

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Unitholders. The person so authorized shall be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual Unitholder.

HKSCC Nominees Limited (or any successor thereto) may appoint more than one proxy or corporate representative to attend and vote at Unitholders' meetings as if they were individual Unitholders and such representatives shall not be required to produce any documents of title or notarized authorization in respect of such appointment. Where a Unitholder is a recognized clearing house (within the meaning of the SFO) or its nominee(s), it may authorize such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any Unitholders' meeting or any class of Unitholders provided that, if more than one person is so authorized, the authorization or proxy form must specify the number and class of Units in respect of which each such person is so authorized. The person so authorized will be entitled to exercise the same power on behalf of the recognized clearing house as that clearing house or its nominee(s) could exercise if it were an individual Unitholder.

Under the Trust Deed, decisions with respect to certain matters require specific prior approval of Unitholders by way of Special Resolution. Such matters include: (a) changes in the REIT Manager's investment policies or strategies for Spring REIT; (b) disposal of any of Spring REIT's investment (which is in the nature of real estate or shares in any special purpose vehicle holding interest in real estate) prior to the expiry of two years from the time of Spring REIT's holding of such investment; (c) any increase in the rate above the permitted limit or change in structure of the REIT Manager's fees; (d) any increase in the rate above the permitted limit or change in structure of the Trustee's fees; (e) certain modifications of the Trust Deed; (f) termination of Spring REIT; and (g) merger of Spring REIT. Unitholders may also, by way of a Special Resolution, (i) remove Spring REIT's auditors and appoint other auditors or (ii) remove the Trustee.

Any decisions to be made by resolution of the Unitholders other than as specified otherwise in the Trust Deed shall be made by Ordinary Resolution, unless a Special Resolution is required by the Applicable Rules. Such matters to be made by Ordinary Resolution include, without limitation: (a) any issue of Units after the Listing Date which will require the approval of Unitholders pursuant to the Trust Deed and/or the Applicable Rules (please see the section headed "The Trust Deed — Issue of Units" for details); (b) the removal of the REIT Manager; or (c) any connected party transaction entered into between any connected person and with Spring REIT or any special purpose vehicle.

### **POWERS, DUTIES AND OBLIGATIONS OF THE TRUSTEE**

The Trustee's powers, duties and obligations are set out in the Trust Deed. These powers and duties include, but are not limited to:

- (1) carrying out the instructions of the REIT Manager in respect of investments unless they are in conflict with this Offering Circular, the Trust Deed or other constitutive documents of Spring REIT, the REIT Code or under general law;
- (2) ensuring that the Deposited Property is properly segregated and held for the benefit of the Unitholders in accordance with the provisions of the Trust Deed;

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- (3) overseeing the activities of the REIT Manager for compliance with the Trust Deed, other relevant constitutive documents of Spring REIT and the regulatory requirements applicable to Spring REIT; and
- (4) ensuring that all the investment activities carried out by the REIT Manager are in line with the investment objective and policy of Spring REIT and the constitutive documents of Spring REIT and are in the interests of the Unitholders.

The Trustee shall exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unitholders. In the exercise of its powers, the Trustee may (on the instruction of the REIT Manager in writing) and subject to the provisions of the Trust Deed, acquire or dispose of any real or personal property, borrow moneys and issue guarantees for the account of Spring REIT and encumber any asset. However, the Trustee shall take all reasonable care to ensure that Spring REIT (including, where relevant, a special purpose vehicle) has good marketable legal and beneficial title to any real estate owned by Spring REIT (including where relevant, a special purpose vehicle) and observe all relevant requirements of the REIT Codes. It shall not acquire any investment which involves the assumption of any liability that is unlimited.

The Trustee has the power, but except for the purpose of complying with the REIT Code, shall not be under any obligation, to institute, acknowledge service of, appear in, prosecute or defend any action, suit, proceedings or claim in respect of the provisions hereof or in respect of the Deposited Property or any part thereof, or in respect of any entitlement or interest of Spring REIT or any corporate or Unitholders' action (which in its opinion would or might involve it in expense or liability), unless the REIT Manager shall so request in writing. At the reasonable request of the REIT Manager, the Trustee shall take actions or commence proceedings in its capacity as trustee of Spring REIT as necessary including but not limited to action against any connected persons of the Trustee in relation to any transactions or agreements entered into by the Trustee in its capacity as trustee of Spring REIT with such persons, provided that the Trustee shall have discretion to refrain from taking actions or commencing proceedings after consultation with the REIT Manager if it considers in its absolute discretion that such action is not in the best interests of the Unitholders.

Spring REIT may legally and beneficially acquire and own the issued share capital of any special purpose vehicles in accordance with the REIT Code if the REIT Manager considers it necessary or desirable for Spring REIT to do so, in which event the REIT Manager shall instruct the Trustee to and the Trustee, shall accordingly establish, subscribe or acquire by transfer, or otherwise invest in its capacity as trustee of Spring REIT a special purpose vehicle provided that: (i) the special purpose vehicle is wholly-owned by Spring REIT; or (ii) Spring REIT has majority ownership and control of such special purpose vehicle and there are sufficient and proper safeguards in relation to the special purpose vehicle to address the risks arising from the non-wholly owned structure; and such investment is not in conflict with the Trust Deed, the REIT Code and other applicable law.

Spring REIT shall hold each investment (which is in the nature of real estate or shares in any special purpose vehicle holding interest in real estate) for a period of at least two years, unless the REIT Manager has clearly communicated to the Unitholders the rationale for disposal prior to the expiry of such period and the Unitholders approve the disposal of such investment by Special Resolution.

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The Trustee may, subject to the provisions of the Trust Deed, appoint and engage a person or entity to exercise any of its powers or perform its obligations, and the REIT Manager may appoint and engage any real estate agents or managers or service providers, in relation to the management, development, leasing, purchase or sale of any of real estate assets and real estate-related assets.

Although the Trustee may borrow money for the purpose of Spring REIT, the Trustee shall take all reasonable care to ensure that the investment and borrowing provisions set out in the Trust Deed and the conditions under which Spring REIT was authorized by the SFC are complied with. The REIT Manager must not direct the Trustee to borrow money if upon the effecting of such borrowing would thereupon in the aggregate exceed 45 percent (or such other higher or lower percentage as may be permitted by the REIT Code or as may be specifically permitted by the SFC) of the total gross asset value of the Deposited Property as set out in Spring REIT's latest published audited accounts immediately prior to such borrowing being effected.

Spring REIT shall not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person nor shall it use any of its assets to secure any obligations, liabilities or indebtedness, except in accordance with the Trust Deed.

The Trustee is not personally liable to a Unitholder in connection with the office of the Trustee except in respect of its own fraud, negligence or willful default, breach of duty or breaches of the Trust Deed or other constitutive documents to which the Trustee is a party, or breaches of the Applicable Rules. Any liability incurred and any indemnity to be given by the Trustee shall be limited to the assets of Spring REIT over which the Trustee has recourse, provided that the Trustee has acted without fraud, negligence, or willful default, breaches of the Trust Deed or other constitutive documents to which the Trustee is a party, breach of trust or breaches of the Applicable Rules. The Trust Deed contains certain indemnities in favor of the Trustee under which it will be indemnified out of the assets of Spring REIT for liability incurred, provided that the Trustee has acted without fraud, negligence, or willful default, or breaches of the Trust Deed, breach of trust or breach of the constitutive documents (to which is a party) or breach of the Applicable Rules.

### RETIREMENT AND REMOVAL OF THE TRUSTEE

The Trustee may retire or be removed under the following circumstances:

- (a) The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee, whose appointment has been subject to the prior approval of the SFC. The retirement of the Trustee shall take effect at the same time as the new trustee takes up office as the trustee of Spring REIT.
- (b) The Trustee may be removed by notice in writing to the Trustee by the REIT Manager if:
  - (i) the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the REIT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee (or any such analogous process or appointment occurs);

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- (ii) the Trustee ceases to carry on business; or
- (iii) the Unitholders by Special Resolution duly passed at a meeting of Unitholders held in accordance with the provisions contained in the Trust Deed, and of which at least 21 calendar days' notice has been given to the Trustee and the REIT Manager, shall so decide.

### TRUSTEE'S FEE

The remuneration of the Trustee shall comprise:

- (i) a one-off acceptance fee as agreed between the Trustee and the REIT Manager of HK\$180,000; and
- (ii) in each financial year, an ongoing fee, the rate of which will be determined in accordance with the thresholds set out below, subject to a minimum amount of RMB56,000 per month.

<b>Value of Deposited Property</b>	<b>Fee Rate per Annum</b>
(a) Where the value of the Deposited Property is less than RMB4 billion	0.0250% per annum of the value of the Deposited Property (which may be increased from time to time to a maximum percentage of 0.06% per annum of the value of the Deposited Property)
(b) Where the value of the Deposited Property is, or is greater than, RMB4 billion but less than RMB8 billion	0.0200% per annum of the value of the Deposited Property (which may be increased from time to time to a maximum percentage of 0.06% per annum of the value of the Deposited Property)
(c) Where the value of the Deposited Property is, or is greater than, RMB8 billion but less than RMB12 billion	0.0175% per annum of the value of the Deposited Property (which may be increased from time to time to a maximum percentage of 0.06% per annum of the value of the Deposited Property)
(d) Where the value of the Deposited Property is, or is greater than, RMB12 billion but less than RMB16 billion	0.0160% per annum of the value of the Deposited Property (which may be increased from time to time to a maximum percentage of 0.06% per annum of the value of the Deposited Property)
(e) Where the value of the Deposited Property is, or is greater than RMB16 billion	0.0150% per annum of the value of the Deposited Property (which may be increased from time to time to a maximum percentage of 0.06% per annum of the value of the Deposited Property)

Where there is an increase in the percentage rate applicable to any of (a), (b), (c), (d) or (e), the other percentage rates may also be increased. Where the value of the Deposited

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Property exceeds one of the thresholds described in (a), (b), (c) or (d), the fee rate at the next level shall be applied to the entire value of the Deposited Property and not just to the amount by which such threshold is exceeded.

The Trustee shall give at least one month's prior written notice to the REIT Manager and the Unitholders of any increase in the rate of the remuneration of the Trustee up to and including the maximum rate of the ongoing fee that the Trustee proposes, subject to the approval of the REIT Manager, to charge from time to time. Any increase in the maximum rate, or any change to the structure of the Trustee's remuneration, shall be subject to the passing of a Special Resolution.

The remuneration of the Trustee shall be payable out of the Deposited Property semi-annually or quarterly in arrears (within 30 days of the end of every six calendar months or each calendar quarter) and will be calculated by reference to the unaudited management accounts of Spring REIT prepared by the REIT Manager for the relevant six months or the relevant quarter. The remuneration of the Trustee shall be payable out of the Deposited Property in cash. The remuneration payable to the Trustee for a broken period shall be prorated on a time basis.

The ongoing fees calculated in accordance with the above are subject to adjustment, as follows:

$$\text{Adjustment} = (\text{RPF}\% \times \text{DP}) - \text{SQF}$$

Where:

RPF = the relevant percentage figure determined in accordance with the table above;

DP = the value of the Deposited Property as published in the audited accounts of Spring REIT for the relevant financial year; and

SQF = the sum of the semi-annually or quarterly ongoing fees received by the Trustee in respect of the relevant financial year.

Where the above adjustment is positive, Spring REIT shall pay the difference to the Trustee within 30 days after the publication of the audited accounts of Spring REIT. Where the adjustment is negative, the Trustee shall pay the difference to Spring REIT within 30 days after publication of the audited accounts of Spring REIT for the relevant financial year.

If the Trustee finds it expedient, necessary or is requested by the REIT Manager to undertake duties which are of an exceptional nature or otherwise outside the scope of the Trustee's normal duties in the ordinary course of normal day-to-day business operations of Spring REIT including the acquisition or disposal of an authorized investment by Spring REIT after the Listing, the Trustee is entitled to charge and be paid, out of the Deposited Property, additional fees on a time-cost basis at a rate to be agreed with the REIT Manager.

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### TERMINATION OF SPRING REIT

Under the Trust Deed, Spring REIT is of indeterminate duration but may be terminated as follows:

*Termination if Spring REIT is wound up by a court order or the operation of law*

Spring REIT will be terminated if it is wound up by a court order or is otherwise terminated by the operation of law. Spring REIT will also be terminated if for any reason, there is no manager for a period of more than 60 calendar days or such longer period as the Trustee considers appropriate. Otherwise Spring REIT shall continue until the expiration of 80 years less one day from the date of commencement of Spring REIT as provided in the Trust Deed, or until Spring REIT is terminated or merged in the manner described below or as set out in the sub-section headed "Merger of Spring REIT" below.

*Termination with the specific prior approval by Special Resolution*

Save as described above, the termination of Spring REIT shall require specific prior approval by Special Resolution at a meeting to be convened in accordance with the provisions contained in the Trust Deed by the REIT Manager. Where the proposal to terminate Spring REIT is recommended by the REIT Manager, the REIT Manager and any connected persons of the REIT Manager shall abstain from voting if they hold interests in the Units and if their interest (at the sole determination of the Trustee) in terminating Spring REIT is different from that of all other Unitholders. The Trustee shall have no liability for any consequence arising out of such termination recommended by the REIT Manager and approved by Special Resolution in the absence of fraud, bad faith, willful default or negligence.

An announcement on the termination of Spring REIT shall be made by the REIT Manager to the Unitholders as soon as reasonably practicable in accordance with the provisions of the Trust Deed. The REIT Manager shall also serve on Unitholders, within 21 days of the announcement, a circular convening an extraordinary general meeting containing the following information: (a) the rationale for the termination of Spring REIT; (b) the effective date of the termination; (c) the manner in which the Deposited Property are to be dealt with; (d) the procedures and timing for the distribution of the proceeds of the termination and for the completion of the liquidation of assets of Spring REIT; (e) a valuation report of Spring REIT prepared by an approved valuer which is dated not more than three months before the date of the circular; (f) the alternatives available to the Unitholders; (g) the estimated costs of the termination and who is expected to bear such costs; and (h) such other material information that the REIT Manager determines that the Unitholders should be informed of.

Upon the Unitholders' approval of the termination of Spring REIT, no further Units shall be created, issued, cancelled or sold. No transfer of Units may be registered and no other change to the register of Unitholders may be made without the sanction of the Trustee following the announcement referred to above. No further investments may be made by Spring REIT upon its termination and the obligations of the Trustee, the REIT Manager and the property valuer shall continue until the completion of the liquidation of the assets and termination of Spring REIT.

Generally, upon approval of the termination of Spring REIT, the Trustee shall oversee the realization of the investments by the REIT Manager (which the REIT Manager shall effect as

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soon as practicable) and shall ensure that the REIT Manager shall repay any outstanding borrowings effected by or for the account of the Trust (together with any interest thereon but remaining unpaid) and shall ensure the proper discharge of all other obligations and liabilities of the Trust. The manner of disposal of the Deposited Property is specified in the Trust Deed, with such manner being subject to the relevant provisions of the REIT Code.

All investments shall be disposed of through public auction or any form of open tender. The disposal shall be conducted at arm's length and conducted in the best interests of the Unitholders. The disposal price shall be the best available price obtained through public auction or open tender. Subject as aforesaid, such sale and repayment shall be carried out and completed in such manner and within such period after the termination of Spring REIT as the REIT Manager in its absolute discretion deems advisable provided that, unless otherwise permitted by the REIT Code, such period may not exceed 24 months and where it exceeds 12 months, it must be in the interests of Unitholders and Unitholders shall be informed by way of announcement.

Subject to the provisions of the Trust Deed, any net cash proceeds derived from the sale or realization of such investments shall (at such time or times as the Trustee shall deem convenient) be distributed to the Unitholders pro rata to the number of Units held or deemed to be held by them respectively at the date of the termination of Spring REIT provided that if the liquidation of Spring REIT exceeds six months from the date of termination of Spring REIT, an interim distribution shall be made in respect of any net proceeds derived from the sale or realization of investments at the end of each six month period, following the date of termination of Spring REIT, in which net proceeds are derived from any sale, or realization of investments. Upon the completion of the liquidation of the assets of Spring REIT, the following shall be prepared:

- (a) a REIT Manager's review and comment on the performance of Spring REIT and an explanation as to how the investments have been disposed of and the transaction prices and major terms of disposal;
- (b) a Trustee's report that the REIT Manager has managed and liquidated the assets of Spring REIT in accordance with the REIT Code and the provisions of the Trust Deed;
- (c) financial statements of Spring REIT which shall be distributed to the Unitholders by the REIT Manager within three months of completion of the liquidation of the assets of Spring REIT and a copy filed with the SFC; and
- (d) an auditors' report.

Following the disposal of the assets of Spring REIT and the distribution of the net proceeds derived from the sale or realization of the assets of Spring REIT (if any), Spring REIT will terminate.

### **MERGER OF SPRING REIT**

The merger of Spring REIT shall require specific prior approval by Special Resolution duly passed at a meeting of Unitholders held in accordance with the provisions contained in the Trust Deed. Where the proposal to merge Spring REIT is recommended by the REIT Manager, the REIT Manager and any connected persons of the REIT Manager shall abstain

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from voting in circumstances where they hold interests in the Units and their interest (at the sole determination of the Trustee) in merging Spring REIT is different from that of all other Unitholders. Where upon any such merger the Trustee retires, any deed effecting the merger by which the Deposited Property and liabilities of Spring REIT are so merged shall include indemnification of the Trustee to its satisfaction. The Trustee shall cease to be liable for obligations and liabilities of Spring REIT subsisting at the time of merger to the extent such obligations and liabilities are subsequently discharged from and out of the merged entity, and shall have no other liability for the consequences arising out of such merger of Spring REIT recommended by the REIT Manager and approved by Special Resolution (other than any liability arising from the fraud, willful default, bad faith or negligence of the Trustee or breach of any constitutive documents of Spring REIT (including the Trust Deed), breach of the REIT Code, or other applicable laws and regulations).

Any merger of Spring REIT may only take effect upon the successor entity assuming responsibility for the performance and discharge of all obligations and liabilities of Spring REIT subsisting at the time of the merger. Where Spring REIT is involved in any form of merger, takeover, amalgamation or restructuring, the Takeovers Code shall be complied with and the Trustee and the REIT Manager shall as soon as practicable consult with the SFC on the manner in which such activities could be carried out so that it is fair and equitable to all Unitholders.

An announcement on the intention to merge of Spring REIT shall be made by the REIT Manager to the Unitholders as soon as reasonably practicable in accordance with the provisions of the Trust Deed. The REIT Manager shall also serve on Unitholders, within 21 days of the announcement, a circular convening an extraordinary general meeting containing the following information: (a) the rationale for the merger of Spring REIT; (b) the effective date of the merger; (c) the manner in which the Deposited Property are to be dealt with; (d) the procedures and timing for the issuance or exchange of new Units arising from the merger; (e) a valuation report of Spring REIT prepared by an approved valuer which is dated not more than three months before the date of the circular; (f) the alternatives available to the Unitholders; (g) the estimated costs of the merger and who is expected to bear such costs; and (h) such other material information that the REIT Manager determines that the Unitholders should be informed of.

Any merger pursuant to the provisions of the Trust Deed may only take effect upon the successor entity assuming responsibility for the performance and discharge of all obligations and liabilities of Spring REIT subsisting at the time of merger. Upon the completion of the merger of Spring REIT, the following shall be prepared:

- (i) the REIT Manager's review and comment on the performance of Spring REIT and an explanation as to how the investments have been accounted for in the merged scheme;
- (ii) the Trustee's report that the REIT Manager has managed and merged Spring REIT in accordance with the REIT Code and the provisions of the Trust Deed;
- (iii) financial statements of Spring REIT which shall be distributed to Unitholders by the REIT Manager within three months of the completion of the merger and a copy filed with the SFC; and
- (iv) an auditors' report.

Upon the Unitholders' approval of the merger of Spring REIT: (a) no further Units shall be created, issued, cancelled or sold; and (b) no transfer of Units may be registered and no other change to the unit registers may be made without the sanction of the Trustee.

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### DEEMED APPLICATION OF PART XV OF THE SFO

The provisions of Part XV of the SFO (other than sections 328 and 351), and all relevant guidelines and interpretation notes on Part XV of the SFO issued by the SFC from time to time, shall have effect, *mutatis mutandis*, and, which requires shareholders of Hong Kong listed corporations to notify the Hong Kong Stock Exchange and the listed corporation if their shareholding interests reach or exceed a certain percentage (which is 5% as of the date of this Offering Circular), have been incorporated into the Trust Deed, *mutatis mutandis*, and have been made binding on the Directors, the chief executive of the REIT Manager, the REIT Manager and on each Unitholder and all persons claiming through or under him as if:

- (a) Spring REIT is a “listed corporation” for the purposes of Part XV of the SFO;
- (b) the “relevant share capital” of such listed corporation are references to: (i) the Units which are issued and outstanding from time to time; and (ii) the Units which the REIT Manager has agreed to issue, either conditionally or unconditionally, from time to time;
- (c) a Unit is a share comprised in the relevant share capital of such listed corporation and the Unitholder is a holder of a share in the relevant share capital of such listed corporation;
- (d) a person who is interested in a Unit is interested in a share in the relevant share capital of such listed corporation;
- (e) the REIT Manager itself is a director of such listed corporation;
- (f) the directors and chief executive of the REIT Manager are the directors and chief executive respectively of such listed corporation;
- (g) “percentage level”, in relation to a notifiable interest, means the percentage figure found by expressing the aggregate number of Units in which the person is interested immediately before or (as the case may be) immediately after the relevant time as a percentage of all the Units in issue at the relevant time as published by the REIT Manager and rounding that figure down (if it is not a whole number) to the next whole number;
- (h) “percentage level”, in relation to a short position, means the percentage figure found by expressing the aggregate number of Units in which the person has a short position immediately before or (as the case may be) immediately after the relevant time as a percentage of all the Units in issue at the relevant time as published by the REIT Manager and rounding that figure down (if it is not a whole number) to the next whole number; and
- (i) in addition and without prejudice to any notification required to be given to the Hong Kong Stock Exchange by virtue of the deemed application of Part XV of the SFO, any notification with respect to interests in Units required to be given to the listed corporation by the operation of the relevant provisions in the Trust Deed shall be given by the relevant parties to the REIT Manager and the REIT Manager shall send copies of the notifications received by it to the Trustee promptly.

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Specifically, the Trust Deed provides that, subject to certain modifications set out in the Trust Deed:

- (a) the duty of disclosure under Divisions 2 to 4 of Part XV of the SFO (other than section 328 of the SFO) shall arise in respect of a person who: (i) is interested in Units, or who acquires an interest in or who ceases to be interested in Units; or (ii) has a short position in Units, or who comes to have or ceases to have a short position in Units. Accordingly, a duty of disclosure shall arise under the Trust Deed in relation to that person on the occurrence of the relevant events described in section 310 of the SFO in the circumstances specified in section 313 of the SFO; and
- (b) the duty of disclosure under Divisions 7 to 9 of Part XV of the SFO (other than section 351 of the SFO) shall arise in respect of the REIT Manager and each director or chief executive of the REIT Manager who: (i) is interested in Units, or who acquires an interest in or who ceases to be interested in Units, or (ii) has a short position in Units, or who comes to have or ceases to have a short position in Units. Accordingly, a duty of disclosure shall also arise under the Trust Deed in relation to the REIT Manager and a director or chief executive of the REIT Manager (as the case may be) on the occurrence of the relevant events described in section 341 of the SFO in the circumstances specified in that section.

Where a duty of disclosure arises by virtue of the deemed application of Part XV of the SFO, the relevant person shall give notice to the REIT Manager and the Hong Kong Stock Exchange, and the REIT Manager shall promptly send a copy of the notification received by it to the Trustee.

The powers and duties of a “listed corporation” under Division 5 of Part XV of the SFO to investigate ownership of interests in Units shall be exercised by or performed solely by the REIT Manager except where the interest or short position (or deemed interested or deemed short position) relates to Units held by or in which the REIT Manager is interested or has a short position, in which case the power shall be exercised by or the duty shall be performed solely by the Trustee.

If a person who has a duty of disclosure under the Trust Deed fails to make notification in accordance with the provisions of the Trust Deed, irrespective of whether that person is a Unitholder or not, the Units in which that person is (or is deemed to be) interested in (the “Affected Units”) shall be subject to any or all of the following actions which: (a) if the person interested in the Affected Units is a person other than the REIT Manager, the REIT Manager; or (b) if the person interested in the Affected Units is the REIT Manager, the Trustee, may, in its absolute discretion, take in respect of any or all of the Affected Units:

- (a) declare that the voting rights attached to any or all of the Affected Units to be suspended (and, upon such declaration, such voting rights shall be suspended for all purposes in connection with Spring REIT);
- (b) suspend the payment of any distributions in respect of any or all of the Affected Units (and, upon such suspension, any such distributions shall be retained in a trust account in the name of: (i) (where the person interested in the Affected Units is a person other than the REIT Manager) the REIT Manager; or (ii) (where the person interested in the Affected Units is the REIT Manager) the Trustee, pending the application of such distributions);

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- (c) impose an administrative fee of up to HK\$0.10 per Affected Unit for each day of noncompliance from the date on which disclosure is due to be made by the person; and/or
- (d) suspend registration and/or decline to register any transfer of part or all of the Affected Units,

until the relevant notification requirements are fully complied with to the satisfaction of the REIT Manager or the Trustee, as the case may be.

Irrespective of whether any Unitholder is in default of the code for disclosure of interests in the Units adopted by the REIT Manager and the relevant provisions in the Trust Deed, each Unitholder and all persons claiming through or under him expressly acknowledge and agree to the grant of the rights and powers set out above to the REIT Manager and the Trustee and agree to be bound by any action taken by the REIT Manager or the Trustee (as the may be) pursuant to the provisions of the Trust Deed in good faith.

Where the person interested in the Affected Units is the REIT Manager:

- (a) the Trustee may exercise the powers of the REIT Manager in respect of any or all of the Affected Units (and for the avoidance of doubt, any suspension of payment of distribution shall be retained in a trust account in the name of the Trustee);
- (b) the Trustee may exercise the powers of the REIT Manager to retain the administrative fee for the benefit of Spring REIT and to take action if the fee is not paid; and
- (c) irrespective of whether the REIT Manager is in default of the provisions of this schedule, the REIT Manager shall be bound by the decision of the Trustee and its Units shall be bound by such decision if the Trustee declares (in its absolute discretion) that any or all of such Units are (or are deemed to be) Affected Units.

### **GOVERNING LAW AND JURISDICTION**

The Trust Deed shall in all respects be governed by, and construed in accordance with, the laws of Hong Kong. Pursuant to the Trust Deed, the REIT Manager, the Trustee and each Unitholder submit to the non-exclusive jurisdiction of the courts of Hong Kong.